

Golub Capital BDC, Inc.
Form 10-Q
May 05, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

**☐ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended March 31, 2016

OR

**○ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 814-00794

Golub Capital BDC, Inc.

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(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

27-2326940

(I.R.S. Employer Identification No.)

150 South Wacker Drive, Suite 800

Chicago, IL 60606

(Address of principal executive offices)

(312) 205-5050

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 5, 2016, the Registrant had 51,511,221 shares of common stock, \$0.001 par value, outstanding.

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Golub Capital BDC, Inc. and Subsidiaries**Consolidated Statements of Financial Condition***(In thousands, except share and per share data)*

	March 31, 2016 (unaudited)	September 30, 2015
Assets		
Investments, at fair value		
Non-controlled/non-affiliate company investments	\$ 1,485,073	\$ 1,425,325
Non-controlled affiliate company investments	9,610	5,523
Controlled affiliate company investments	117,019	98,936
Total investments, at fair value (amortized cost of \$1,601,440 and \$1,517,314, respectively)	1,611,702	1,529,784
Cash and cash equivalents	5,335	5,468
Restricted cash and cash equivalents	36,863	92,016
Interest receivable	6,021	5,700
Receivable from investments sold	4,822	-
Other assets	272	458
Total Assets	\$ 1,665,015	\$ 1,633,426
Liabilities		
Debt	\$ 840,050	\$ 813,250
Less unamortized debt issuance costs	6,454	7,624
Debt less unamortized debt issuance costs	833,596	805,626
Secured borrowings, at fair value (proceeds of \$330 and \$351, respectively)	334	355
Interest payable	3,136	2,722
Management and incentive fees payable	9,590	11,754
Accounts payable and accrued expenses	2,053	2,042
Accrued trustee fees	56	57
Total Liabilities	848,765	822,556
Commitments and contingencies (Note 8)		
Net Assets		
Preferred stock, par value \$0.001 per share, 1,000,000 shares authorized, zero shares issued and outstanding as of March 31, 2016 and September 30, 2015	-	-
Common stock, par value \$0.001 per share, 100,000,000 shares authorized, 51,511,221 and 51,300,193 shares issued and outstanding as of March 31, 2016 and September 30, 2015, respectively	51	51
Paid in capital in excess of par	794,135	790,713
Undistributed net investment income	3,239	4,230
Net unrealized appreciation (depreciation) on investments and secured borrowings	12,927	15,134

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Net realized gain (loss) on investments	5,898	742
Total Net Assets	816,250	810,870
Total Liabilities and Total Net Assets	\$ 1,665,015	\$ 1,633,426
Number of common shares outstanding	51,511,221	51,300,193
Net asset value per common share	\$ 15.85	\$ 15.80

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Statements of Operations (unaudited)***(In thousands, except share and per share data)*

	Three months ended March 31,		Six months ended March 31,	
	2016	2015	2016	2015
Investment income				
From non-controlled/non-affiliate company investments:				
Interest income	\$ 27,322	\$ 26,837	\$ 54,889	\$ 53,606
Dividend income	51	63	282	81
Fee income	474	595	774	803
Total investment income from non-controlled/non-affiliate company investments	27,847	27,495	55,945	54,490
From non-controlled affiliate company investments:				
Interest income	21	-	21	-
Total investment income from non-controlled affiliate company investments	21	-	21	-
From controlled affiliate company investments:				
Interest income	1,767	652	3,393	1,202
Dividend income	1,127	314	1,903	314
Total investment income from controlled affiliate company investments	2,894	966	5,296	1,516
Total investment income	30,762	28,461	61,262	56,006
Expenses				
Interest and other debt financing expenses	6,833	6,017	13,564	11,711
Base management fee	5,405	4,855	10,719	9,676
Incentive fee	180	2,258	1,951	3,329
Professional fees	700	840	1,431	1,469
Administrative service fee	609	584	1,112	1,191
General and administrative expenses	136	153	285	319
Total expenses	13,863	14,707	29,062	27,695
Net investment income - before excise tax	16,899	13,754	32,200	28,311
Excise tax	31	-	333	-
Net investment income - after excise tax	16,868	13,754	31,867	28,311

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Net gain (loss) on investments and secured borrowings				
Net realized gain (loss) on investments:				
Non-controlled/non-affiliate company investments	178	4,523	2,434	6,249
Non-controlled affiliate company investments	-	-	2,722	-
Net realized gain (loss) on investments	178	4,523	5,156	6,249
Net change in unrealized appreciation (depreciation) on investments:				
Non-controlled/non-affiliate company investments	1,118	(1,009)	2,949	(2,421)
Non-controlled affiliate company investments	(4,142)	344	(2,799)	671
Controlled affiliate company investments	155	248	(2,357)	222
Net change in unrealized appreciation (depreciation) on investments	(2,869)	(417)	(2,207)	(1,528)
Net change in unrealized depreciation (appreciation) on secured borrowings	-	1	-	1
Net gain (loss) on investments and secured borrowings	(2,691)	4,107	2,949	4,722
Net increase in net assets resulting from operations	\$ 14,177	\$ 17,861	\$ 34,816	\$ 33,033
Per Common Share Data				
Basic and diluted earnings per common share	\$ 0.28	\$ 0.38	\$ 0.68	\$ 0.70
Dividends and distributions declared per common share	\$ 0.32	\$ 0.32	\$ 0.64	\$ 0.64
Basic and diluted weighted average common shares outstanding	51,382,676	47,174,501	51,342,514	47,147,555

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Statements of Changes in Net Assets (unaudited)***(In thousands, except share data)*

	Common Stock	Par	Paid in Capital in Excess of Par	Undistributed Net Investment Income	Net Unrealized Appreciation (Depreciation) on Investments and Secured Borrowings	Net Realized Gain (Loss) on Investments	Total Net Assets
Balance at September 30, 2014	47,119,498	\$ 47	\$ 720,479	\$ 3,627	\$ 12,694	\$ (4,108)	\$ 732,739
Net increase in net assets resulting from operations	-	-	-	28,311	(1,527)	6,249	33,033
Distributions to stockholders:							
Stock issued in connection with dividend reinvestment plan	105,714	-	1,793	-	-	-	1,793
Distributions from net investment income	-	-	-	(30,173)	-	-	(30,173)
Total increase (decrease) for the period ended March 31, 2015	105,714	-	1,793	(1,862)	(1,527)	6,249	4,653
Balance at March 31, 2015	47,225,212	\$ 47	\$ 722,272	\$ 1,765	\$ 11,167	\$ 2,141	\$ 737,392
Balance at September 30, 2015	51,300,193	\$ 51	\$ 790,713	\$ 4,230	\$ 15,134	\$ 742	\$ 810,870
Net increase in net assets resulting from operations	-	-	-	31,867	(2,207)	5,156	34,816
Distributions to stockholders:							
Stock issued in connection with dividend reinvestment plan	211,028	-	3,422	-	-	-	3,422
Distributions from net investment income	-	-	-	(32,858)	-	-	(32,858)
	211,028	-	3,422	(991)	(2,207)	5,156	5,380

Total increase (decrease)
for the period ended
March 31, 2016

Balance at March 31, 2016	51,511,221	\$ 51	\$ 794,135	\$ 3,239	\$ 12,927	\$ 5,898	\$ 816,250
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See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Statements of Cash Flows (unaudited)***(In thousands)*

	Six months ended March 31,	
	2016	2015
Cash flows from operating activities		
Net increase in net assets resulting from operations	\$ 34,816	\$ 33,033
Adjustments to reconcile net increase in net assets resulting from operations to net cash (used in) provided by operating activities:		
Amortization of debt issuance costs	2,250	2,135
Accretion of discounts and amortization of premiums	(3,686)	(3,489)
Net realized (gain) loss on investments	(5,156)	(6,249)
Net change in unrealized (appreciation) depreciation on investments	2,207	1,528
Net change in unrealized appreciation (depreciation) on secured borrowings	-	(1)
Proceeds from (fundings of) revolving loans, net	(4,681)	(4,261)
Fundings of investments	(318,255)	(290,334)
Proceeds from principal payments and sales of portfolio investments	247,969	227,939
PIK interest	(316)	(584)
Changes in operating assets and liabilities:		
Interest receivable	(321)	(156)
Receivable for investments sold	(4,822)	(8,232)
Other assets	186	52
Interest payable	414	(585)
Management and incentive fees payable	(2,164)	(1,293)
Accounts payable and accrued expenses	11	155
Accrued trustee fees	(1)	2
Net cash (used in) provided by operating activities	(51,549)	(50,340)
Cash flows from investing activities		
Net change in restricted cash and cash equivalents	55,153	20,338
Net cash (used in) provided by investing activities	55,153	20,338
Cash flows from financing activities		
Borrowings on debt	161,750	110,100
Repayments of debt	(134,950)	(52,800)
Capitalized debt issuance costs	(1,080)	(968)
Repayments on secured borrowings	(21)	(17)
Dividends and distributions paid	(29,436)	(28,380)
Net cash (used in) provided by financing activities	(3,737)	27,935
Net change in cash and cash equivalents	(133)	(2,067)

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Cash and cash equivalents, beginning of period	5,468	5,135
Cash and cash equivalents, end of period	\$ 5,335	\$ 3,068
Supplemental information:		
Cash paid during the period for interest	\$ 10,892	\$ 10,152
Dividends and distributions declared during the period	32,858	30,173

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries

Consolidated Schedule of Investments (unaudited)

March 31, 2016

(In thousands)

Investment Type	Spread Above Index ⁽¹⁾	Interest Rate ⁽²⁾	Maturity Date	Principal / Par (\$), Shares/Units ⁽³⁾	Amortized Cost ⁽⁴⁾	Percentage		
						of Net Assets	Fair Value	
Investments								
Non-controlled/non-affiliate company investments								
Debt investments								
Aerospace and Defense								
ILC Dover, LP	One stop	P + 6.00%	9.50 %	03/2019	\$ 781	\$ 771	0.1 %	\$ 630
ILC Dover, LP*^#	One stop	P + 6.00%	9.50 %	03/2020	17,888	17,729	1.9	15,205
ILC Industries, Inc. ⁽⁴⁾	One stop	L + 6.00%	N/A ⁽⁵⁾	07/2020	-	(20)	-	-
ILC Industries, Inc.*^#	One stop	L + 6.00%	7.00 %	07/2020	22,556	22,428	2.8	22,556
Loar Group Inc.#	Senior loan	L + 4.75%	5.75 %	01/2022	2,244	2,205	0.3	2,233
NTS Technical Systems ⁽⁴⁾	One stop	L + 6.00%	N/A ⁽⁵⁾	06/2021	-	(92)	-	-
NTS Technical Systems*^#	One stop	L + 6.00%	7.00 %	06/2021	26,308	25,910	3.2	26,308
NTS Technical Systems ⁽⁴⁾	One stop	L + 6.00%	N/A ⁽⁵⁾	06/2021	-	(43)	-	-
Tresys Technology Holdings, Inc.	One stop	L + 6.75%	8.00 %	12/2017	349	346	-	349
Tresys Technology Holdings, Inc. ⁽⁶⁾	One stop	L + 6.75%	8.00 %	12/2017	3,899	3,845	0.1	1,170
Whitcraft LLC ⁽⁴⁾	One stop	L + 6.50%	N/A ⁽⁵⁾	05/2020	-	(1)	-	-
Whitcraft LLC*^	One stop	L + 6.50%	7.50 %	05/2020	13,572	13,458	1.7	13,572
					87,597	86,536	10.1	82,023
Automobile								

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American Driveline Systems, Inc.	Senior loan	P + 4.75%	8.25 %	03/2020	25	18	-	16
American Driveline Systems, Inc.*	Senior loan	L + 5.75%	6.75 %	03/2020	1,807	1,761	0.2	1,717
American Driveline Systems, Inc.^	Senior loan	L + 5.75%	6.75 %	03/2020	233	228	-	228
CH Hold Corp. (Caliber Collision)*#	Senior loan	L + 5.25%	6.25 %	11/2019	5,170	5,127	0.6	5,170
Dent Wizard International Corporation*	Senior loan	L + 4.75%	5.75 %	04/2020	2,482	2,471	0.3	2,482
Integrated Supply Network, LLC ⁽⁴⁾	Senior loan	L + 5.25%	N/A ⁽⁵⁾	02/2020	-	(8)	-	-
Integrated Supply Network, LLC*^	Senior loan	L + 5.25%	6.25 %	02/2020	6,942	6,862	0.9	6,942
K&N Engineering, Inc. ⁽⁴⁾	Senior loan	L + 4.25%	N/A ⁽⁵⁾	07/2019	-	(3)	-	(3)
K&N Engineering, Inc.^	Senior loan	L + 4.25%	5.25 %	07/2019	2,869	2,837	0.4	2,811
K&N Engineering, Inc.^	Senior loan	L + 4.25%	5.25 %	07/2019	135	123	-	133
T5 Merger Corporation ⁽⁴⁾	One stop	L + 6.25%	N/A ⁽⁵⁾	03/2022	-	(2)	-	(1)
T5 Merger Corporation^	One stop	L + 6.25%	7.25 %	03/2022	2,400	2,358	0.3	2,376
					22,063	21,772	2.7	21,871
Banking								
HedgeServ Holding L.P. ⁽⁴⁾	One stop	L + 8.00%	N/A ⁽⁵⁾	02/2019	-	(5)	-	-
HedgeServ Holding L.P.*^#	One stop	L + 8.00%	7.00% cash/2.00% PIK	02/2019	17,353	17,258	2.1	17,353
					17,353	17,253	2.1	17,353
Beverage, Food and Tobacco								
Abita Brewing Co., L.L.C.	One stop	L + 5.75%	6.75 %	04/2021	8	7	-	8
Abita Brewing Co., L.L.C.	One stop	L + 5.75%	6.75 %	04/2021	8,033	7,898	1.0	8,033
ABP Corporation	Senior loan	P + 3.50%	7.25 %	09/2018	209	205	-	209
ABP Corporation*	Senior loan	L + 4.75%	6.00 %	09/2018	4,721	4,682	0.6	4,721
Atkins Nutritionals, Inc.*^#	One stop	L + 5.00%	6.25 %	01/2019	16,872	16,726	2.1	16,872
Atkins Nutritionals, Inc.*^	One stop	L + 8.50%	9.75 %	04/2019	21,636	21,429	2.7	21,636
C. J. Foods, Inc. ⁽⁴⁾	One stop	L + 5.50%	N/A ⁽⁵⁾	05/2019	-	(6)	-	-
C. J. Foods, Inc.	One stop	L + 5.50%	6.50 %	05/2019	668	660	0.1	668
C. J. Foods, Inc.*	One stop		6.50 %	05/2019	3,176	3,145	0.4	3,176

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		L + 5.50%						
Candy Intermediate Holdings, Inc. (Ferrara Candy)^	Senior loan	L + 6.25%	7.50 %	06/2018	4,813	4,751	0.6	4,825
Firebirds International, LLC ⁽⁴⁾	One stop	L + 5.75%	N/A ⁽⁵⁾	05/2018	-	(1)	-	-
Firebirds International, LLC*	One stop	L + 5.75%	7.00 %	05/2018	1,079	1,071	0.1	1,079
Firebirds International, LLC*	One stop	L + 5.75%	7.00 %	05/2018	303	300	-	303
Firebirds International, LLC ⁽⁴⁾	One stop	L + 5.75%	N/A ⁽⁵⁾	05/2018	-	(3)	-	-
First Watch Restaurants, Inc.	One stop	P + 5.00%	8.50 %	12/2020	1,634	1,625	0.2	1,634
First Watch Restaurants, Inc.*^#	One stop	L + 6.00%	7.00 %	12/2020	25,727	25,491	3.1	25,727
First Watch Restaurants, Inc. ⁽⁴⁾	One stop	L + 6.00%	N/A ⁽⁵⁾	12/2020	-	(11)	-	-
First Watch Restaurants, Inc. ⁽⁴⁾	One stop	L + 6.00%	N/A ⁽⁵⁾	12/2020	-	(11)	-	-
First Watch Restaurants, Inc. ⁽⁴⁾	One stop	L + 6.00%	N/A ⁽⁵⁾	12/2020	-	(9)	-	-
Hopdoddy Holdings, LLC	One stop	L + 8.00%	N/A ⁽⁵⁾	08/2020	-	-	-	-
Hopdoddy Holdings, LLC	One stop	L + 8.00%	9.00 %	08/2020	663	651	0.1	663
Hopdoddy Holdings, LLC ⁽⁴⁾	One stop	L + 8.00%	N/A ⁽⁵⁾	08/2020	-	(3)	-	-
IT'SUGAR LLC	Subordinated debt	N/A	8.00 %	10/2017	1,707	1,707	0.2	1,911
Northern Brewer, LLC	One stop	P + 5.25%	8.75 %	02/2018	699	692	0.1	647
Northern Brewer, LLC	One stop	L + 6.50%	8.07 %	02/2018	6,002	5,935	0.7	5,552
Smashburger Finance LLC ⁽⁴⁾	Senior loan	L + 5.50%	N/A ⁽⁵⁾	05/2018	-	(2)	-	-
Smashburger Finance LLC	Senior loan	L + 5.50%	6.75 %	05/2018	87	87	-	87
Surfside Coffee Company LLC	One stop	L + 5.25%	6.25 %	06/2020	21	20	-	21
Surfside Coffee Company LLC^	One stop	L + 5.25%	6.25 %	06/2020	4,492	4,454	0.5	4,492
Surfside Coffee Company LLC	One stop	L + 5.25%	6.25 %	06/2020	131	123	-	131
Tate's Bake Shop, Inc.#	Senior loan	L + 5.00%	6.00 %	08/2019	600	595	0.1	600
The Original Cakerie Ltd. ⁽⁷⁾⁽⁸⁾	Senior loan	L + 5.00%	N/A ⁽⁵⁾	12/2020	-	-	-	-
The Original Cakerie Ltd. ⁽⁷⁾⁽⁸⁾	Senior loan	L + 5.00%	6.00 %	12/2020	1,652	1,636	0.2	1,652

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Uinta Brewing Company	One stop	L + 7.00%	8.00 %	08/2019	678	673	0.1	666
Uinta Brewing Company^	One stop	L + 7.00%	8.00 %	08/2019	3,195	3,174	0.4	3,147
United Craft Brews LLC	One stop	L + 6.25%	7.25 %	03/2020	1,084	1,070	0.1	1,084
United Craft Brews LLC	One stop	L + 6.25%	7.25 %	03/2020	539	526	0.1	539
United Craft Brews LLC	One stop	L + 6.25%	7.25 %	03/2020	12,097	11,884	1.5	12,097
					122,526	121,171	15.0	122,180

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries

Consolidated Schedule of Investments (unaudited) - (continued)

March 31, 2016

(In thousands)

	Investment Type	Spread Above Index ⁽¹⁾	Interest Rate ⁽²⁾	Maturity Date	Principal / Par (\$), Shares/Units ⁽³⁾	Amortized Cost ⁽⁴⁾	Percentage of Net Assets	Fair Value
Broadcasting and Entertainment								
TouchTunes Interactive Networks, Inc.^	Senior loan	L + 4.75%	5.75 %	05/2021	1,484	1,478	0.2	1,485
Building and Real Estate								
Accruent, LLC*	One stop	L + 6.25%	7.27 %	11/2019	4,697	4,663	0.6	4,697
Brooks Equipment Company, LLC ⁽⁴⁾	One stop	L + 5.00%	N/A ⁽⁵⁾	08/2020	-	(15)	-	-
Brooks Equipment Company, LLC*^	One stop	L + 5.00%	6.00 %	08/2020	23,967	23,706	2.9	23,967
ITEL Laboratories, Inc. ⁽⁴⁾	Senior loan	L + 4.75%	N/A ⁽⁵⁾	06/2018	-	(1)	-	-
ITEL Laboratories, Inc.*	Senior loan	L + 4.75%	6.00 %	06/2018	637	633	0.1	637
					29,301	28,986	3.6	29,301
Cargo Transport								
Worldwide Express Operations, LLC*^	Senior loan	L + 5.00%	6.00 %	07/2019	4,900	4,851	0.6	4,851
Worldwide Express Operations, LLC ⁽⁴⁾	Senior loan	L + 5.00%	N/A ⁽⁵⁾	07/2019	-	(1)	-	(1)
					4,900	4,850	0.6	4,850
Containers, Packaging and Glass								
Fort Dearborn Company*^	Senior loan	L + 4.25%	5.25 %	10/2017	538	536	0.1	538
Fort Dearborn Company*^	Senior loan	L + 4.75%	5.75 %	10/2018	2,577	2,567	0.3	2,577
Packaging Coordinators, Inc.*	Senior loan	L + 4.25%	5.25 %	08/2021	2,836	2,814	0.3	2,810
Packaging Coordinators, Inc.			9.00 %	08/2022	10,000	9,920	1.2	9,450

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	Second lien	L + 8.00%				15,951	15,837	1.9	15,375
Diversified Conglomerate Manufacturing									
Chase Industries, Inc.#	One stop	L + 5.75%	6.75 %	09/2020	3,376	3,340	0.4	3,376	
Chase Industries, Inc.	One stop	L + 5.75%	6.75 %	09/2020	234	218	-	234	
Chase Industries, Inc.*^#	One stop	L + 5.75%	6.75 %	09/2020	20,774	20,620	2.6	20,774	
Harvey Tool Company, LLC	Senior loan	L + 5.00%	N/A (5)	03/2019	-	-	-	-	
Harvey Tool Company, LLC*	Senior loan	L + 5.00%	6.01 %	03/2020	3,123	3,096	0.4	3,123	
Inventus Power, Inc ⁽⁴⁾	One stop	L + 5.50%	N/A (5)	04/2020	-	(3)	-	(21)	
Inventus Power, Inc*^	One stop	L + 5.50%	6.50 %	04/2020	8,547	8,498	1.0	8,205	
Onicon Incorporated ⁽⁴⁾	One stop	L + 6.00%	N/A (5)	04/2020	-	(5)	-	-	
Onicon Incorporated ¹ #	One stop	L + 6.00%	7.07 %	04/2020	9,168	9,103	1.1	9,168	
Plex Systems, Inc. ⁽⁴⁾	One stop	L + 7.50%	N/A (5)	06/2018	-	(26)	-	-	
Plex Systems, Inc.*^	One stop	L + 7.50%	8.75 %	06/2018	18,797	18,441	2.3	18,797	
Sunless Merger Sub, Inc.	Senior loan	P + 4.00%	7.50 %	07/2016	247	247	-	238	
Sunless Merger Sub, Inc.	Senior loan	L + 5.25%	6.50 %	07/2016	1,534	1,536	0.2	1,380	
					65,800	65,065	8.0	65,274	
Diversified Conglomerate Service									
Accellos, Inc. ⁽⁴⁾	One stop	L + 5.75%	N/A (5)	07/2020	-	(15)	-	-	
Accellos, Inc.*^#	One stop	L + 5.75%	6.75 %	07/2020	31,960	31,675	3.9	31,960	
Actiance, Inc.	One stop	L + 9.00%	N/A (5)	04/2018	-	-	-	-	
Actiance, Inc.*^	One stop	L + 9.00%	10.00 %	04/2018	2,502	2,427	0.3	2,502	
Agility Recovery Solutions Inc. ⁽⁴⁾	One stop	L + 6.50%	N/A (5)	03/2020	-	(7)	-	(7)	
Agility Recovery Solutions Inc.*^	One stop	L + 6.50%	7.50 %	03/2020	14,163	13,998	1.7	14,021	
Bomgar Corporation ⁽⁴⁾	One stop	L + 6.00%	N/A (5)	09/2020	-	(18)	-	-	
Bomgar Corporation*	One stop	L + 6.00%	7.00 %	09/2020	29,491	29,060	3.6	29,491	
Daxko, LLC ⁽⁴⁾	One stop	L + 5.75%	N/A (5)	03/2020	-	(22)	-	-	

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Daxko, LLC ^{*^#}	One stop	L + 5.75%	6.75 %	03/2020	28,943	28,631	3.5	28,943
DTI Holdco, Inc. [#]	Senior loan	L + 5.00%	6.00 %	08/2020	8,302	8,236	1.0	8,302
HealthcareSource HR, Inc. ⁽⁴⁾	One stop	L + 6.75%	N/A ⁽⁵⁾	05/2020	-	(1)	-	-
HealthcareSource HR, Inc. [#]	One stop	L + 6.75%	7.75 %	05/2020	17,814	17,462	2.2	17,814
Host Analytics, Inc. ⁽⁴⁾	One stop	N/A	N/A ⁽⁵⁾	02/2020	-	(5)	-	-
Host Analytics, Inc.	One stop	N/A	8.50% cash/2.25% PIK	02/2020	2,994	2,954	0.4	2,994
Integration Appliance, Inc. ⁽⁴⁾	One stop	L + 8.25%	N/A ⁽⁵⁾	09/2018	-	(10)	-	(9)
Integration Appliance, Inc.	One stop	L + 8.25%	9.50 %	09/2020	5,396	5,296	0.6	5,342
Integration Appliance, Inc.	One stop	L + 8.25%	9.50 %	09/2020	7,913	7,753	1.0	7,834
Integration Appliance, Inc. [*]	One stop	L + 8.25%	9.50 %	09/2020	719	708	0.1	712
Integration Appliance, Inc. ^{*^}	One stop	L + 8.25%	9.50 %	09/2020	16,123	15,969	2.0	15,962
Mediaocean LLC [#]	Senior loan	L + 4.75%	5.75 %	08/2022	167	164	-	167
NetSmart Technologies, Inc.	One stop	P + 4.25%	7.75 %	02/2019	1,045	1,030	0.1	1,045
NetSmart Technologies, Inc. ^{^#}	One stop	L + 5.25%	6.25 %	02/2019	14,741	14,634	1.8	14,741
Secure-24, LLC ⁽⁴⁾	One stop	L + 6.00%	N/A ⁽⁵⁾	08/2017	-	(2)	-	-
Secure-24, LLC [*]	One stop	L + 6.00%	7.25 %	08/2017	9,976	9,891	1.2	9,976
Secure-24, LLC [^]	One stop	L + 6.00%	7.25 %	08/2017	1,459	1,450	0.2	1,459
Severin Acquisition, LLC [^]	Senior loan	L + 5.00%	6.00 %	07/2021	798	791	0.1	798
Severin Acquisition, LLC [^]	Senior loan	L + 5.38%	6.38 %	07/2021	897	888	0.1	911
Source Medical Solutions, Inc.	Second lien	L + 8.00%	9.00 %	03/2018	9,294	9,211	1.1	8,829
Steelwedge Software, Inc. ⁽⁵⁾	One stop	L + 10.00%	N/A ⁽⁵⁾	09/2020	-	-	-	-
Steelwedge Software, Inc. [^]	One stop	L + 10.00%	9.00% cash/2.00% PIK	09/2020	2,174	2,087	0.3	2,174
TA MHI Buyer, Inc. ⁽⁵⁾	One stop	L + 6.50%	N/A ⁽⁵⁾	09/2021	-	-	-	-
TA MHI Buyer, Inc. [^]	One stop	L + 6.50%	7.50 %	09/2021	8,274	8,208	1.0	8,274
TA MHI Buyer, Inc. [^]	One stop	L + 6.50%	7.50 %	09/2021	239	236	-	239

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Trintech, Inc. ⁽⁴⁾	One stop	L + 5.75%	N/A ⁽⁵⁾	10/2021	-	(1)	-	-
Trintech, Inc.*#	One stop	L + 5.75%	6.75 %	10/2021	7,341	7,257	0.9	7,341
Vendavo, Inc. ⁽⁴⁾	One stop	L + 8.50%	N/A ⁽⁵⁾	10/2019	-	(11)	-	-
Vendavo, Inc.	One stop	L + 8.50%	9.50 %	10/2019	15,501	15,254	1.9	15,501
Vendor Credentialing Service LLC ⁽⁴⁾	One stop	L + 6.00%	N/A ⁽⁵⁾	11/2021	-	(1)	-	-

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries

Consolidated Schedule of Investments (unaudited) - (continued)

March 31, 2016

(In thousands)

	Investment Type	Spread		Maturity Date	Principal / Par (\$), Shares/Units	Amortized Cost	Percentage	
		Above Index ⁽¹⁾	Interest Rate ⁽²⁾				of Net Assets	Fair Value
Vendor Credentialing Service LLC	One stop	L + 6.00%	7.00 %	11/2021	10,246	9,998	1.3	10,246
Vitalyst, LLC	Senior loan	P + 4.25%	7.75 %	09/2017	66	65	-	58
Vitalyst, LLC	Senior loan	L + 5.25%	6.50 %	09/2017	1,481	1,475	0.2	1,437
Electronics					250,019	246,715	30.5	249,050
Appriss Holdings, Inc.	Senior loan	L + 4.75%	5.75 %	11/2020	902	868	0.1	902
Appriss Holdings, Inc.*#	Senior loan	L + 4.75%	5.75 %	11/2020	20,842	20,595	2.6	20,842
Compusearch Software Holdings, Inc.^	Senior loan	L + 4.50%	5.50 %	05/2021	1,315	1,312	0.2	1,315
ECI Acquisition Holdings, Inc. ⁽⁴⁾	One stop	L + 6.25%	N/A ⁽⁵⁾	03/2019	-	(11)	-	-
ECI Acquisition Holdings, Inc.*^#	One stop	L + 6.25%	7.25 %	03/2019	21,779	21,537	2.7	21,779
ECI Acquisition Holdings, Inc.	One stop	L + 6.25%	7.25 %	03/2019	1,410	1,395	0.2	1,410
Gamma Technologies, LLC ⁽⁴⁾	One stop	L + 5.50%	N/A ⁽⁵⁾	06/2021	-	(1)	-	-
Gamma Technologies, LLC^#	One stop	L + 5.50%	6.50 %	06/2021	18,092	17,935	2.2	18,092
Park Place Technologies LLC ⁽⁴⁾	One stop	L + 5.25%	N/A ⁽⁵⁾	06/2022	-	(2)	-	-
Park Place Technologies LLC*#	One stop	L + 5.25%	6.25 %	06/2022	12,529	12,349	1.5	12,529
Sloan Company, Inc., The	One stop	L + 6.25%	7.25 %	04/2020	31	30	-	23
Sloan Company, Inc., The#	One stop		7.25 %	04/2020	7,551	7,474	0.8	6,419

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		L + 6.25%							
Sovos Compliance ⁽⁴⁾	One stop	L + 6.75%	N/A ⁽⁵⁾	03/2022	-	(1)	-	(1
Sovos Compliance*	One stop	L + 6.75%	7.75 %	03/2022	4,930	4,845	0.6	4,856	
Sparta Holding Corporation ⁽⁴⁾	One stop	L + 5.50%	N/A ⁽⁵⁾	07/2020	-	(27)	-	-
Sparta Holding Corporation* ^{^#}	One stop	L + 5.50%	6.50 %	07/2020	22,309	22,107	2.7	22,309	
Syncsort Incorporated ⁽⁴⁾	One stop	L + 5.50%	N/A ⁽⁵⁾	11/2021	-	(2)	-	-
Syncsort Incorporated* ^{^#}	One stop	L + 5.50%	6.50 %	11/2021	16,693	16,379	2.0	16,693	
Systems Maintenance Services Holding, Inc. [^]	Senior loan	L + 4.00%	5.00 %	10/2019	2,610	2,602	0.3	2,610	
Watchfire Enterprises, Inc.	Second lien	L + 8.00%	9.00 %	10/2021	9,435	9,259	1.2	9,435	
					140,428	138,643	17.1	139,210	
Grocery									
MyWebGrocer, Inc.	One stop	L + 8.75%	10.00%	05/2018	1,586	1,577	0.2	1,586	
MyWebGrocer, Inc. [^]	One stop	L + 8.75%	10.00%	05/2018	14,271	14,145	1.7	14,271	
Teasdale Quality Foods, Inc. [#]	Senior loan	L + 4.75%	5.77 %	10/2020	557	552	0.1	566	
					16,414	16,274	2.0	16,423	
Healthcare, Education and Childcare									
Active Day, Inc. ⁽⁴⁾	One stop	L + 6.00%	N/A ⁽⁵⁾	12/2021	-	(2)	-	-
Active Day, Inc.	One stop	L + 6.00%	7.00 %	12/2021	13,606	13,252	1.7	13,606	
Active Day, Inc. ⁽⁴⁾	One stop	L + 6.00%	N/A ⁽⁵⁾	12/2021	-	(40)	-	-
Agilitas USA, Inc. [^]	Senior loan	L + 4.00%	5.00 %	10/2020	2,125	2,109	0.3	2,125	
Aris Teleradiology Company, LLC	Senior loan	L + 4.75%	N/A ⁽⁵⁾	03/2021	-	-	-	-	
Aris Teleradiology Company, LLC*	Senior loan	L + 4.75%	5.75 %	03/2021	946	936	0.1	936	
Avalign Technologies, Inc. [^]	Senior loan	L + 4.50%	5.50 %	07/2021	1,136	1,131	0.1	1,136	
Avatar International, LLC	One stop	L + 7.89%	6.19% cash/2.95% PIK	09/2016	658	657	0.1	658	
Avatar International, LLC* ⁽⁶⁾	One stop	L + 7.89%	6.19% cash/2.95% PIK	09/2016	7,641	7,615	0.3	2,560	
Avatar International, LLC ^{#(6)}	One stop	L + 7.89%	6.19% cash/2.95% PIK	09/2016	1,648	1,644	0.1	552	

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BIORECLAMATIONIVT, LLC ⁽⁴⁾	One stop	L + 6.25%	N/A ⁽⁵⁾	01/2021	-	(2)	-	-
BIORECLAMATIONIVT, LLC ^{*^#}	One stop	L + 6.25%	7.25 %	01/2021	14,464	14,223	1.8	14,464
California Cryobank, LLC	One stop	P + 4.25%	7.75 %	08/2019	22	20	-	22
California Cryobank, LLC [^]	One stop	L + 5.50%	6.50 %	08/2019	1,550	1,540	0.2	1,550
California Cryobank, LLC	One stop	L + 5.50%	6.50 %	08/2019	43	42	-	43
Certara L.P. ⁽⁴⁾	One stop	L + 6.25%	N/A ⁽⁵⁾	12/2018	-	(12)	-	-
Certara L.P. ^{*^#}	One stop	L + 6.25%	7.25 %	12/2018	30,694	30,447	3.8	30,694
CPI Buyer, LLC (Cole-Parmer) ^{*^}	Senior loan	L + 4.50%	5.50 %	08/2021	7,900	7,658	0.9	7,574
Curo Health Services LLC [#]	Senior loan	L + 5.50%	6.50 %	02/2022	1,980	1,963	0.2	1,964
DCA Investment Holding, LLC	One stop	P + 4.25%	7.75 %	07/2021	372	356	-	359
DCA Investment Holding, LLC ^{*^#}	One stop	L + 5.25%	6.25 %	07/2021	19,063	18,693	2.3	18,872
DCA Investment Holding, LLC ^{*^#}	One stop	L + 5.25%	6.25 %	07/2021	13,672	13,513	1.7	13,536
Deca Dental Management LLC	One stop	L + 6.25%	7.25 %	07/2020	37	36	-	37
Deca Dental Management LLC	One stop	L + 6.25%	7.25 %	07/2020	183	173	-	183
Deca Dental Management LLC ^{*^}	One stop	L + 6.25%	7.25 %	07/2020	4,168	4,114	0.5	4,168
Delta Educational Systems [*]	Senior loan	P + 4.75%	8.25 %	12/2016	1,483	1,477	0.2	1,260
Delta Educational Systems ⁽⁴⁾	Senior loan	L + 6.00%	N/A ⁽⁵⁾	12/2016	-	-	-	(7
Dental Holdings Corporation	One stop	P + 4.25%	7.75 %	02/2020	184	173	-	184
Dental Holdings Corporation	One stop	L + 5.50%	6.50 %	02/2020	7,638	7,500	0.9	7,638
Dental Holdings Corporation	One stop	L + 5.50%	6.50 %	02/2020	630	616	0.1	630
Encore GC Acquisition, LLC ⁽⁴⁾	Senior loan	L + 5.25%	N/A ⁽⁵⁾	01/2020	-	(8)	-	(14
Encore GC Acquisition, LLC ^{*^}	Senior loan	L + 5.25%	6.25 %	01/2020	4,796	4,731	0.6	4,701
eSolutions, Inc. ⁽⁴⁾	One stop	L + 6.50%	N/A ⁽⁵⁾	03/2022	-	(1)	-	(1
eSolutions, Inc.	One stop	L + 6.50%	7.50 %	03/2022	13,141	12,849	1.6	13,009
G & H Wire Company, Inc.	One stop	P + 4.50%	8.00 %	12/2017	250	246	-	250
G & H Wire Company, Inc. ^{*^}	One stop		6.75 %	12/2017	13,224	13,156	1.6	13,224

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		L + 5.75%							
Joerns Healthcare, LLC*	One stop	L + 5.00%	6.00 %	05/2020	3,301	3,273	0.4	3,272	
Katena Holdings, Inc. ⁽⁴⁾	One stop	L + 6.25%	N/A ⁽⁵⁾	06/2021	-	(1)	-	-	
Katena Holdings, Inc. [^]	One stop	L + 6.25%	7.25 %	06/2021	8,743	8,663	1.1	8,743	
Katena Holdings, Inc. ⁽⁴⁾	One stop	L + 6.25%	N/A ⁽⁵⁾	06/2021	-	(7)	-	-	
Maverick Healthcare Group, LLC*	Senior loan	L + 9.50%	9.25% cash/2.00% PIK	12/2016	1,922	1,910	0.2	1,922	
PPT Management, LLC ⁽⁴⁾	One stop	L + 5.00%	N/A ⁽⁵⁾	04/2020	-	(7)	-	-	
PPT Management, LLC	One stop	L + 5.00%	6.00 %	04/2020	2,457	2,433	0.3	2,457	
Premise Health Holding Corp. ⁽⁴⁾	One stop	L + 4.50%	N/A ⁽⁵⁾	06/2020	-	(18)	-	-	
Premise Health Holding Corp. [#]	One stop	L + 4.50%	5.50 %	06/2020	15,000	14,907	1.8	15,000	

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries

Consolidated Schedule of Investments (unaudited) - (continued)

March 31, 2016

(In thousands)

Investment	Type	Spread	Interest	Maturity	Principal / Par (\$), Shares/Units ⁽³⁾	Amortized Cost	Percentage		Fair Value
		Above Index ⁽¹⁾					Rate ⁽²⁾	Date	
Radiology Partners, Inc. ⁽⁴⁾	One stop	L + 5.00%	N/A ⁽⁵⁾	09/2020	-	(6)	-	-	-
Radiology Partners, Inc.*^	One stop	L + 5.00%	6.00 %	09/2020	16,951	16,749	2.1		16,951
Radiology Partners, Inc.	One stop	L + 5.00%	6.00 %	09/2020	1,919	1,885	0.2		1,919
Reliant Pro ReHab, LLC	Senior loan	P + 4.00%	7.50 %	06/2017	129	126	-		129
Reliant Pro ReHab, LLC*	Senior loan	L + 5.00%	6.00 %	06/2017	3,185	3,170	0.4		3,185
Renaissance Pharma (U.S.) Holdings Inc.^	Senior loan	L + 4.00%	5.03 %	05/2018	418	414	0.1		418
RXH Buyer Corporation	One stop	P + 4.75%	8.25 %	09/2021	10	6	-		10
RXH Buyer Corporation ⁽⁴⁾	One stop	L + 5.75%	N/A ⁽⁵⁾	09/2021	-	(51)	-		-
RXH Buyer Corporation*^	One stop	L + 5.75%	6.75 %	09/2021	17,524	17,206	2.2		17,524
Sarnova HC, LLC#	Senior loan	L + 4.75%	5.76 %	01/2022	3,740	3,704	0.5		3,703
Southern Anesthesia and Surgical ⁽⁴⁾	One stop	L + 5.50%	N/A ⁽⁵⁾	11/2017	-	(5)	-		-
Southern Anesthesia and Surgical	One stop	L + 5.50%	6.50 %	11/2017	5,610	5,558	0.7		5,610
Southern Anesthesia and Surgical^	One stop	L + 5.50%	6.50 %	11/2017	2,728	2,708	0.3		2,728
Surgical Information Systems, LLC^	Senior loan	L + 3.00%	4.01 %	09/2018	1,879	1,876	0.2		1,879
U.S. Anesthesia Partners, Inc.#	One stop	L + 5.00%	6.00 %	12/2019	5,927	5,906	0.7		5,927
	Senior loan		5.75 %	02/2018	752	748	0.1		752

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WIL Research Company, Inc.*		L +							
		4.50%							
Young Innovations, Inc.*#	Senior loan	L +	5.25 %	01/2019	1,742	1,733	0.2	1,742	
		4.25%							
Young Innovations, Inc.	Senior loan	P +	6.75 %	01/2018	52	52	-	51	
		3.25%							
Zest Holdings, LLC#	Senior loan	L +	5.75 %	08/2020	5,309	5,110	0.7	5,309	
		4.75%							
					262,552	258,847	31.3	# 255,144	
Home and Office Furnishings, Housewares, and Durable Consumer									
1A Smart Start LLC*	Senior loan	L +	5.75 %	02/2022	2,126	2,107	0.2	2,124	
		4.75%							
Floor & Decor Outlets of America, Inc.*^	One stop	L +	7.75 %	05/2019	11,073	11,002	1.4	11,073	
		6.50%							
Plano Molding Company, LLC*^#	One stop	L +	7.00 %	05/2021	18,024	17,871	2.2	18,024	
		6.00%							
					31,223	30,980	3.8	31,221	
Hotels, Motels, Inns, and Gaming									